

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 30 April 2019
(These figures have not been audited)

Schedule A : Condensed Consolidated Statement of Comprehensive Income
For the financial year ended 30 April 2019

	Individual period		Cumulative period	
	Current quarter ended 30/04/2019	Preceding year quarter ended 30/04/2018	Current year period ended 30/04/2019	Preceding year period ended 30/04/2018
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	5,777	9,557	5,777	9,557
Cost of sales	(4,542)	(7,814)	(4,542)	(7,814)
Gross profit	1,235	1,743	1,235	1,743
Other operating income (Schedule A Note 1)	33,744	248	33,744	248
Administrative expenses	(2,565)	(2,594)	(2,565)	(2,594)
Authority and professional expenses	(3,584)	(657)	(3,584)	(657)
Other expenses (Schedule A Note 2)	(1,774)	(511)	(1,774)	(511)
Result from operating activities	27,056	(1,771)	27,056	(1,771)
Finance income (Schedule A Note 3)	2,920	2,179	2,920	2,179
Finance costs (Schedule A Note 4)	(5,648)	(5,470)	(5,648)	(5,470)
Profit/ (Loss) before tax and share of results	24,329	(5,062)	24,329	(5,062)
Share of results of jointly controlled entities and associate companies	(411)	(164)	(411)	(164)
Profit/ (Loss) before tax	23,918	(5,226)	23,918	(5,226)
Income tax	(8)	(3)	(8)	(3)
Profit/ (Loss) from continuing operations, net of tax	23,910	(5,229)	23,910	(5,229)
Results from discontinued operations, net of tax (Schedule E Note 8)	-	228	-	228
Profit/ (Loss) for the period	23,910	(5,001)	23,910	(5,001)

Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial year ended 30 April 2019

	Individual period		Cumulative period	
	Current quarter ended 30/04/2019 RM'000	Preceding year quarter ended 30/04/2018 RM'000	Current year period ended 30/04/2019 RM'000	Preceding year period ended 30/04/2018 RM'000
Other comprehensive income				
Exchange difference on translation of foreign entity	277	303	277	303
Total comprehensive income/ (loss) for the period	24,187	(4,698)	24,187	(4,698)
Profit/ (Loss) for the period attributable to:				
Owners of the Company				
- continuing operations	24,137	(5,218)	24,137	(5,219)
- discontinued operation	-	194	-	194
	24,137	(5,024)	24,137	(5,024)
Non-controlling Interests	(227)	23	(227)	23
	23,910	(5,001)	23,910	(5,001)
Total comprehensive income/ (loss) for the period attributable to:				
Owners of the Company				
- continuing operations	24,446	(1,134)	24,446	(21,839)
- discontinued operation	-	(3,476)	-	(3,476)
	24,446	(4,610)	24,446	(4,610)
Non-controlling Interests	(259)	(88)	(259)	(88)
	24,187	(4,698)	24,187	(4,698)
Earnings per share from continuing operations attributable to owners of parent (in sen)				
Earnings per share ("EPS") (in sen)				
Basic	0.57	(0.13)	0.57	(0.13)
Diluted	0.57	(0.13)	0.57	(0.13)
Earnings per share from discontinued operations attributable to owners of parent (in sen)				
Basic	-	(0.02)	-	(0.02)
Diluted	-	(0.02)	-	(0.02)

Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial year ended 30 April 2019

NOTE :

1) Included in the Other Operating Income:

Net gain on settlement with WCE Holding Bhd. 33,229 -
 Provision for impairment of receivables no longer required 308 230

2) Included in the Other Expenses

Amortisation and depreciation (1,188) (321)
 Bad debts written off (157) -
 Provision for impairment of receivables, associates and jointly controlled entities (218) -
 Provision for impairment of inventories (20) -

3) Included in Finance Income

Amortisation of financial instruments 2,708 2,173

4) Included in Finance Costs

Amortisation of financial instruments (952) (93)

	Individual period		Cumulative period	
	Current quarter ended 30/04/2019	Preceding year quarter ended 30/04/2018	Current year period ended 30/04/2019	Preceding year period ended 30/04/2018
	RM'000	RM'000	RM'000	RM'000
Net gain on settlement with WCE Holding Bhd.	33,229	-	33,229	-
Provision for impairment of receivables no longer required	308	230	308	230
2) Included in the Other Expenses				
Amortisation and depreciation	(1,188)	(321)	(1,188)	(321)
Bad debts written off	(157)	-	(157)	-
Provision for impairment of receivables, associates and jointly controlled entities	(218)	-	(218)	-
Provision for impairment of inventories	(20)	-	(20)	-
3) Included in Finance Income				
Amortisation of financial instruments	2,708	2,173	2,708	2,173
4) Included in Finance Costs				
Amortisation of financial instruments	(952)	(93)	(952)	(93)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2019 and the accompanying explanatory notes attached to this interim financial report.

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 30 April 2019
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Schedule B : Condensed Consolidated Statement of Financial Position
As at 30 April 2019

	Unaudited as at 30/04/2019 RM'000	Audited As at 31/1/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	431	471
Inventories	348,571	348,549
Investment properties	192,984	193,512
Interest in joint ventures	5,412	5,793
Interest in associates	18,498	18,529
Other investment	2	2
Long term associate	91,051	89,377
Long term receivables	33,178	32,616
Total non-current assets	690,127	688,849
Current assets		
Inventories	70,872	69,724
Contract assets	-	8
Trade and other receivables	25,859	27,304
Amount owing by associates	23,704	23,696
Tax recoverable	170	167
Sinking funds held by trustees	4	4
Short term investment	235	3,603
Cash and bank balances	4,358	10,647
Total current assets	125,202	135,153
TOTAL ASSETS	815,329	824,002

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 30 April 2019
(These figures have not been audited)

Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)
As at 30 April 2019

	Unaudited as at 30/04/2019	Audited as at 31/1/2019
	RM'000	RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	856,086	856,086
Treasury shares	(493)	(493)
Reserves	(474,755)	(499,201)
Equity attributable to owners of the Company	380,838	356,392
Non-controlling interests	(6,882)	(6,623)
Total equity	373,956	349,769
Non-current liabilities		
Borrowings	58,641	4,955
Other long term payables	200,977	203,547
Total non-current liabilities	259,618	208,502
Current liabilities		
Provision for liability	731	731
Contract liabilities	600	606
Borrowings	10,950	67,823
Trade and other payables	169,469	196,465
Amount owing to associates	-	104
Current tax liabilities	5	2
Total current liabilities	181,755	265,731
Total liabilities	441,373	474,233
TOTAL EQUITY AND LIABILITIES	815,329	824,002
Net assets per share attributable to Owners of the Company (RM)	0.09	0.08

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2019 and the accompanying explanatory notes attached to this interim financial report.

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 30 April 2019
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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial year ended 30 April 2019

	Current year period ended <u>30/04/2019</u> RM'000	Preceding year period ended <u>30/04/2018</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	23,918	(5,226)
Profit before tax from discontinued operation	-	228
Adjustments for:		
Depreciation:		
- property, plant and equipment	45	76
- investment properties	1,143	245
Finance liabilities at amortised costs	480	(2,173)
Finance assets at amortised costs	(2,236)	93
Interest expenses	4,696	5,379
Impairment of receivables	218	-
Impairment of inventories	20	-
Net gain on settlement with WCE Holding Bhd.	(33,229)	-
Impairment loss on receivables no longer required	(308)	(231)
Interest income	(212)	(6)
Share of results of joint ventures and associates	411	164
Operating loss before working capital changes	<u>(5,054)</u>	<u>(1,451)</u>
Changes in working capital:		
Inventories	(1,190)	(903)
Receivables	1,530	8,140
Payables	3,157	625
Cash generated from operations carried forward	<u>(1,557)</u>	<u>6,411</u>
Interest received	212	6
Income tax paid	(3)	-
Interest paid	<u>(4,696)</u>	<u>(5,379)</u>
Net Cash Generated In Operating Activities	<u>(6,044)</u>	<u>1,038</u>

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 30 April 2019
(These figures have not been audited)

Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial year ended 30 April 2019

	Current year period ended 30/04/2019 RM'000	Preceding year period ended 30/04/2018 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in other investment	3,368	249
Purchase of property, plant and equipment	(4)	(44)
Net Cash Utilised From Investing Activities	<u>3,364</u>	<u>205</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(3,332)	-
Net Cash Utilised In Financing Activities	<u>(3,332)</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,012)	1,243
EFFECTS OF EXCHANGE DIFFERENCES	(277)	(394)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	<u>9,043</u>	<u>4,882</u>
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>2,754</u>	<u>5,731</u>
Cash in hand and bank balances	2,754	5,731
Deposits with licensed banks	<u>1,604</u>	<u>1,604</u>
	4,358	7,335
Balances pledged as securities to licensed banks - HDA	<u>(1,604)</u>	<u>(1,604)</u>
	<u>2,754</u>	<u>5,731</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 January 2019 and the accompanying explanatory notes attached to this interim financial report.

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 30 April 2019
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Schedule D : Condensed Consolidated Statement of Changes in Equity
For the financial year ended 30 April 2019

	Attributable to owners of the Company						Total	Non-Controlling Interests	Total Equity
	← Non - Distributable →								
	Share Capital	Share Premium	Treasury Shares	Capital Reserves	Assets Held for Sale	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2019	856,086	-	(493)	49,667	-	(548,868)	356,392	(6,623)	349,769
Total comprehensive loss for the financial year	-	-	-	310	-	24,137	24,446	(259)	24,187
As at 30 April 2019	856,086	-	(493)	49,977	-	(524,731)	380,838	(6,882)	373,956
At 1 February 2018	856,086	-	(493)	2,292	49,410	(522,797)	384,498	(9,744)	374,754
Total comprehensive loss for the financial year	-	-	-	(535)	-	(26,071)	(26,606)	(1,417)	(28,023)
Reclassification of disposal to assets held for sale	-	-	-	49,410	(49,410)	-	-	-	-
Di disposal of subsidiaries	-	-	-	(1,500)	-	-	(1,500)	4,538	3,038
At 31 January 2019	856,086	-	(493)	49,667	-	(548,868)	356,392	(6,623)	349,769

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2019 and the accompanying explanatory notes attached to this interim financial report.

Schedule E : Significant Events and Transactions Pursuant to MFRS 134

1. Basis of Preparation

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 January 2019 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

2. Changes in Accounting Policies

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2019.

(a) Adoption of new MFRSs and amendments/improvements to MFRSs

The Group has adopted the following amendments/improvements to MFRSs that are mandatory:

New MFRS

MFRS 16 Leases

Amendments/Improvements to MFRSs

MFRS 3 Business Combinations

MFRS 9 Financial Instruments

MFRS 11 Joint Arrangements

MFRS 112 Income Taxes

MFRS 119 Employee Benefits

MFRS 123 Borrowing Costs

MFRS 128 Investment in Associates and Joint Ventures

New IC Int

IC Int 23 Uncertainty over Income Tax Treatments

The adoption of the above new and amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group.

Schedule E : Significant Events and Transactions Pursuant to MFRS 134 (Cont'd)

2. Changes in Accounting Policies (Cont'd)

(b) Amendments/improvements to MFRSs that are issued, but not yet effective and have not been early adopted

The Group intends to adopt the following standards, where applicable, when they become effective. The adoption of the following standards is not expected to have material effect on the financial statements: -

	Effective for the financial period beginning on or after
<u>New MFRSs</u>	
MFRS 17 Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021
MFRS 2 Share-based Payment	1 January 2020
MFRS 3 Business Combinations	1 January 2020
MFRS 5 Non-current Assets Held for Sale and Discontinued Operation	1 January 2021
MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
MFRS 7 Financial Instruments: Disclosures	1 January 2021
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 14 Regulatory Deferral Accounts	1 January 2020
MFRS 15 Revenue from Contracts with Customers	1 January 2021
MFRS 17 Insurance Contract	1 January 2021
MFRS 101 Presentation of Financial Statements	1 January 2020
MFRS 107 Statement of Cash Flows	1 January 2021
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
MFRS 116 Property, Plant and Equipment	1 January 2021
MFRS 132 Financial Instruments: Presentation	1 January 2021
MFRS 134 Interim Financial Reporting	1 January 2020
MFRS 136 Impairment of Assets	1 January 2021
MFRS 137 Provision, Contingent Liabilities and Contingent Assets	1 January 2020
MFRS 138 Intangible Assets	1 January 2020
MFRS 140 Investment Property	1 January 2021
<u>New IC Int</u>	
IC Int 23 Service Concession Arrangements	1 January 2020
<u>Amendments to IC Int</u>	
IC Int 12 Service Concession Arrangements	1 January 2020
IC Int 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
IC Int 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
IC Int 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
IC Int 132 Intangible Assets – Web Site Costs	1 January 2020

The initial application of the abovementioned standards, amendments or interpretations are not expected to have any material impacts to the financial statements of the Group.

Schedule E : Significant Events and Transactions Pursuant to MFRS 134 (Cont'd)

3. Seasonality or Cyclicity of Operations

The business operations of the Group were not affected by any material seasonal or cyclical factors.

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items that have material effect on the assets, liabilities, equity, net income, or cash flows for the current quarter other than what has already been disclosed in this report.

5. Changes in Estimates

There were no significant changes to estimates that have a material effect on the results of the Group for the current quarter.

6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the current quarter and current year-to-date.

7. Dividend

No dividend was paid since the beginning of the current quarter.

Schedule E : Significant Events and Transactions Pursuant to MFRS 134 (Cont'd)

9. Segmental Information

The segment analysis for the Group for the quarter and year-to-date, as follow:-

	Quarter ended 30 April		Year-To-Date ended 30 April	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<u>Revenue</u>				
Property Development	630	2,737	630	2,737
Hotel and Recreation	416	-	416	-
Property Investment and Management	1,309	1,406	1,309	1,406
Construction	3,422	5,414	3,422	5,414
	<u>5,777</u>	<u>9,557</u>	<u>5,777</u>	<u>9,557</u>
<u>(Loss)/Profit before tax</u>				
Property Development	25,250	(5,382)	25,250	(5,382)
Hotel and Recreation	(1,509)	228	(1,509)	228
Property Investment and Management	20	(93)	20	(93)
Construction	157	250	157	250
	<u>23,918</u>	<u>(4,997)</u>	<u>23,918</u>	<u>(4,997)</u>
<u>Segment assets</u>				
Property Development			631,346	692,664
Hotel and Recreation (Discontinued)			98,962	109,687
Property Investment and Management			82,231	85,316
Construction			2,790	8,062
			<u>815,329</u>	<u>895,729</u>
<u>Segment liabilities</u>				
Property Development			387,203	469,777
Hotel and Recreation (Discontinued)			32,421	31,842
Property Investment and Management			18,184	19,844
Construction			3,565	4,210
			<u>441,373</u>	<u>525,673</u>

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

11. Contingent Liabilities and Assets

As at the date of this report, the Group does not have any contingent liability or contingent asset.

12. Events After the Reporting Period

There was no material event subsequent to the current year quarter.

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad

1. Review of Performance

(a) Overall Results Commentary:

For the current quarter

The Group recorded a revenue of RM5.78 million, a 39.5% decrease from the RM9.56 million generated during last year's corresponding quarter. The decrease was mainly due to a drop in construction revenue of RM2.0 million and the absence of revenue from sale of stocks, which in the comparative quarter, amounted to RM2.4 million.

Group pre-tax profit was RM23.92 million compared to a pre-tax loss of RM5.06 million for the same quarter last year. The result is mainly due to a net gain of RM33.2 million arising from the Global Settlement Agreement entered into with WCE Holdings Bhd. (WCE) which has resolved the Company's claims against WCE in relation to the foreclosure of property by Bangkok Bank Bhd.. The details of this settlement were announced to Bursa Malaysia on 27 March 2019.

(b) Segmental Results Commentary:

(i) Property Development Division

For the current quarter

The division recorded a revenue of RM0.63 million, a decrease of 77.0% from the RM2.74 million generated during last year's corresponding quarter. The decrease was mainly due to the absence of revenue from sale of stocks, which in the comparative quarter, amounted to RM2.4 million.

The division's pre-tax profit was RM25.25 million against a pre-tax loss of RM5.38 million for the same quarter last year. The reason for this better result is the same as per the explanation above.

(ii) Hotel and Recreation Division

The division did not generate any operating revenue during the current quarter as the hotel had already ceased operation. However, it continues to receive some office rental income of RM0.42 million during the current quarter for a portion of the ground floor of the building, which is still tenanted.

For the current quarter

The division recorded a pre-tax loss of RM1.51 million compared to a pre-tax profit of RM0.23 million for the same quarter last year. In that quarter, when the hotel assets were recorded as assets held for sale, no depreciation was charged. In the audited accounts of the last financial year, these assets were reclassified to investment properties and accordingly, depreciation of RM0.96 million was charged in this quarter.

As such, in subsequent reports, the rental income and results of this division will be reported under Property Investment and Management Division.

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

1. Review of Performance

(b) Segmental Results Commentary (Cont'd):

(iii) Property Investment and Management Division

For the current quarter

The division recorded a revenue of RM1.31 million, a marginal 7.1% decrease from the RM1.41 million generated during last year's corresponding quarter. The decrease is mainly due to the absence of water charges which was previously derived from a subsidiary that had been disposed of in the previous financial year.

The division's pre-tax profit improved to RM0.02 million compared to a pre-tax loss of RM0.09 million for the same quarter last year as a result of additional interest income.

(iv) Construction Division

For the current quarter

The division recorded a revenue of RM3.42 million, a 36.8% decrease from the RM5.41 million generated during last year's corresponding quarter. Construction revenue from one of our projects is tapering off as it is nearing completion, hence dropping from RM5.0 million one year ago to RM2.4 million this quarter. Revenue from another project is expected to pick up pace soon in view that the building construction works has just commenced.

As a result of the above, the division's pre-tax profit had retreated marginally to RM0.16 million against RM0.25 million over the same period.

2. Comparison with Preceding Quarter's Results (Quarter 1, FYE 2020 vs Quarter 4, FYE 2019)

	Current Quarter ended 30 April 2019 RM'000	Immediate preceding Quarter ended 31 January 2019 RM'000
Revenue	5,777	32,458
Profit/ (Loss) before tax	23,918	(14,180)

The Group recorded a 82.2% quarterly decrease in revenue from RM32.46 million to RM5.78 million. The decrease was mainly due to the absence of revenue from land sales during the current quarter and a decline in construction revenue from RM9.02 million to RM3.42 million, the cause of which was explained above.

The current quarter recorded a pre-tax profit of RM23.92 million compared to pre-tax loss of RM14.18 million for the preceding quarter. The improvement primarily came from the net gain of RM33.2 million arising from the WCE settlement and a lower provision for impairment.

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

3. Prospects

The Group's joint venture projects are on-going. In addition, the Group had submitted its new development plans on various parcels of land, some of which had already been approved by the relevant authorities. The Group's first "Build then Sell" project will be completing very soon and the sales launch is targeted to take place in the third quarter. However, the Board foresees a challenging environment ahead for the Group due to market conditions brought about by tough lending guidelines by Bank Negara Malaysia, amid a soft property market.

4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document during the current quarter.

5. Income Tax Expense

	Current quarter ended 30/04/2019 RM'000	Current year period ended 30/04/2019 RM'000
<u>Group</u>		
Income tax expenses	(8)	(8)

6. Status of Corporate Proposals

On 22 March 2019, the Company announced the proposal to undertake a private placement of up to 10% of the total number of issued shares at a proposed issue price of RM0.045 per placement share. This proposal was approved by Bursa Malaysia on 10 April 2019. Subsequently, the Company announced on 9 May 2019 that the price for the private placement has been fixed at RM0.04 per placement share. As at the date of this report, 75,000,000 new shares have been placed, thus enabling the Company to raise fresh capital funds of RM 3.0 million. The Company has until before the next Annual General Meeting, which is 25 July 2019, to complete the implementation of this Proposal.

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

7. Group Borrowings and Debt Securities

The Group's borrowings and debt securities are as follows:

	Secured		Total RM'000
	Short term RM'000	Long term RM'000	
As at 30.04.2018	52,080	57,772	109,852
Repayment	(49,295)	-	(49,295)
Reclassified from long term borrowing to short term borrowing	11,946	(11,946)	-
Reclassified from short term borrowing to long term borrowing	(12,987)	12,987	-
Reclassified from disposal group	9,206		9,206
MFRS9 financial instrument impact	-	(172)	(172)
As at 30.04.2019	10,950	58,641	69,591
		Foreign Curency '000	RM Equivalent '000
Foreign currency borrowings included above:			
Chinese Renminbi		14,998	9,206

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

8. Material Litigation

Save as disclosed below, neither the Group nor the Company are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the business or financial position of the Group, and the Board of Directors has no knowledge of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the business or financial position of the Group:

A Writ of Summons and the Statement of Claim was filed in the Kuala Lumpur High Court by Universal Healthcare (R&D) Sdn Bhd (“UHSB”) against TTB and 3 other Defendants who were Directors of Pandan Indah Medical Management Sdn. Bhd. (In Liquidation), a former subsidiary of TTB (“PIMM”).

UHSB claims against TTB for the Declarations that TTB is a director of PIMM and that the business of PIMM was carried out by its Directors and/ or TTB and that the Directors of PIMM and/or TTB are personally liable to UHSB. Consequently, UHSB is seeking an order that the Directors of PIMM and/ or TTB pay jointly and/ or severally, the alleged debt arising from the judgment sum of RM23.82 million assessed by UHSB against PIMM together with interest at the rate of 8% per annum from the date of Writ of Summons until full settlement amounting to a total alleged claim of RM49.23 million (as at 12 October 2015) and/ or in the alternative, damages to be assessed.

TTB has filed its Defence and also counterclaimed against UHSB and the 3 Directors of UHSB for general damages, exemplary damages and aggravated damages for the tort of abuse of process and/ or malicious prosecution.

The full trial of the Civil Suit commenced on 19, 23 and 24 January 2017 and continued to be partly heard on 19 and 20 June 2017, 1, 2 and 3 August 2017, 20 and 24 October 2017 and 27 and 28 November 2017. The Court further continued with the hearing on 18, 19 and 29 January 2018 and 9 and 12 February 2018 and 15 March 2018 and 5, 7, & 8 June 2018 for continued hearing and completed the full hearing on 25 June 2018. Both parties have put in their written submission on 20 August 2018 and the reply on 12 September 2018. The Court had on 10 January and 12th to 14th June 2019 heard oral submissions and has fixed 29 August 2019 to deliver its decision.

Based on our legal counsel’s advice, this Civil Suit by UHSB is unlikely to succeed.

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

9. Proposed dividend

No dividend has been declared for the current quarter.

10. Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the current quarter attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

	Current quarter ended 30 April 2019 RM'000	Current year period ended 30 April 2019 RM'000
Weighted average number of ordinary shares in issue, excluding treasury shares	4,217,644	4,217,644
Loss from continuing operations attributable to owners of the Company	24,137	24,137
Loss attributable to owners of the Company	24,137	24,137
Earnings per share ("EPS") (in sen)		
Basic	0.57	0.57
Diluted	0.57	0.57

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

11. Annual Audited Report

The auditors' report on the financial statements of the Group for the financial year ended 31 January 2019 did not contain any qualification.

12. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 June 2019.

By order of the Board

Soo Kah Pik
Company Secretary